MARYLAND HEALTH CARE COMMISSION

BID BOARD NOTICE

Procurement ID Number:	**MHCC 11-011**
Issue Date:	**July 8, 2010**
Title:	**Provision of Modeling and Recognition Support Services for the Maryland Patient Centered Medical Home Pilot**

INTRODUCTION

The Maryland Health Quality and Cost Council (MHQCC) was created under an Executive Order in October 2007 to develop recommendations and foster initiatives within existing state organizations that could improve health care quality and reduce health care costs in the State. To guide the Governor's charge, the Council established three initial priorities:

- Develop actionable wellness and prevention strategies to be integrated into a chronic care and disease management plan;
- Coordinate multi-phased quality and patient safety initiatives for acute hospitals settings; and,
- Facilitate statewide implementation of a Patient Centered Medical Home (PCMH) Pilot project.

The PCMH pilot will test whether this new form of primary care, centered on the patient and founded on team-oriented care, can meet the twin objectives in the charge to improve health care quality and lower costs. At the same time, the Pilot will assess whether the PCMH model can address other pressing challenges facing primary care delivery in Maryland due to poor reimbursement and provider dissatisfaction with existing work styles in the current care delivery model.

The MHQCC endorsed twelve recommendations for developing a PCMH pilot in Maryland. Quality measurement, care coordination PMPM, and bonus payment formulae are under development. Under the PCMH program, practices will be rewarded according to the following general formula:

- Fee for service or capitation as currently implemented by the participating carrier.
- Care management costs for providing services inherent to a PCMH, but not currently recognized under existing CPT/HCPCS definitions. Payers would have flexibility in how

the payment is made using a specially-designated HCPCS code, similar to the approach envisioned in the original CMS PCMH pilot, or as a lump-sum practice payment based on the number of patients attributed to that PCMH for a given carrier.

- Bonus Payments: Practices participating in the PCMH Pilot would be required to report on a predetermined number of the PQRI-recognized quality measures appropriate for that practice (an independent set of measures is being devised for pediatrics.) Performance on the quality measures is a criterion for participation in the shared savings achieved through the Pilot. Under this approach, a satisfactory performance score is a prerequisite for participating in the financial reward structure. If the practice generated savings relative to its own adjusted baseline costs, the practice would be eligible for an efficiency bonus payment.

Description of Procurement

The Commission seeks a contractor that is knowledgeable about the elements of Maryland's PCMH program to complete the following tasks:

1. Conduct sensitivity analyses of the PCMH payment methodology;

2. Recommend the quality and process measures that practices may select and meet in order to be eligible to receive an incentive reward under the payment methodology.

3. Provide technical support to practices on the NCQA PPC-PCMH recognition tool during technical outreach sessions that MHCC will hold with providers in July and August.

4. Develop a payment calculator that practices will use to estimate their total fixed payment given the practice's carrier mix, practice size, and expected level of NCQA attainment.

Elements of Maryland's PCMH Program

Practice Recognition

Maryland will use the NCQA's PPC-PCMH recognition as a base requirement for participation in the program. Provider participation requirements include that the practice must agree to apply for NCQA recognition within six months of the start of the program and to achieve NCQA Level 1 or higher on the recognition assessment. The program will specify "must pass" factors within the NCQA standards for participation. The "must pass" factors have been selected because they have been found to be highly correlated to improvements in patient outcomes and/or total efficiency in other PCMH pilots and P4P initiatives. The "must pass" factors at each level of NCQA Recognition are listed below in Table 1.

Table 1. Maryland PCMH Recognition Criteria				
Requirements (all included in NCQA PCMH Review)	**Maryland Recognition Level**			
	Level 1	**Level 2**	**Level 3**	**100%**
Level 1 NCQA PCMH Recognition	✓			
Level 2 NCQA PCMH Recognition		✓		
Level 3 NCQA PCMH Recognition			✓	
100% Score on NCQA Recognition				✓
24-7 phone response with clinician for urgent needs	✓	✓	✓	✓
Registry as part of EHR or as stand-alone	✓	✓	✓	✓
Summary of care record for transitions	✓	✓	✓	✓
Advanced access for appointments	✓	✓	✓	✓
Care management and coordination by specially trained team members	✓	✓	✓	✓
Problem list for all patients	✓	✓	✓	✓
Medication reconciliation every visit	✓	✓	✓	✓
Pre-visit planning and after-visit follow-up for care management	✓	✓	✓	✓
EHR with decision support		✓	✓	✓
CPOE for all orders; test tracking and follow-up		✓	✓	✓
E-prescribing		✓	✓	✓
Self-management support		✓	✓	✓
Decision support: drug-drug, drug-allergy and drug-formulary			✓	✓
Reporting of relevant clinical measures			✓	✓

Reward Structure

MHCC assumes that the additional reimbursement over the course of the Pilot will be financed through savings that results from implementing the new care model. The savings from the program have been apportioned into two parts: (1) a fixed payment made to practices upfront and (2) an incentive payment reconciled against a practice's per patient medical-inflation adjusted costs trend.

Fixed Payment

Public and private carriers will pay practices a fixed per patient per month (PPPM) payment to cover the added costs of providing services required of a PCMH. These services include (among others) providing 24-7 clinician access, expanded office services such as open access scheduling, care coordination and management of health care services for patients with chronic conditions that require continuing care.

Incentive Payment

PCMH Pilot practices will be eligible to receive an incentive payment if the practice can meet 2 conditions: (1) total medical expenses associated with a practice's patients must b less than the historical expected spending level for that practice, adjusted for medical and general inflation; and (2) the practice is able to report on and meet the quality performance standards established for conditions on which the practice has agreed to measured. Practices participating in the PCMH Pilot will be required to report on at least 3 recognized quality measures appropriate for that practice. If the practice meets the quality threshold measures for those measures, the practice would be eligible to participate in any shared savings generated.

Quality Measurement (DRAFT)

A PCMH practice will be required to select and meet quality process measures for conditions in order to achieve the full incentive payment. Practices would select conditions/populations on which they would commit to meeting performance thresholds shown below.

Table 2 – Quality Performance Measures

Condition/Process Measures	Proposed Goals
Heart/Stroke	
Patient Denominator	TBD
Blood Pressure Management	≥ 75%
Complete lipid profile	> 80%
LDL Cholesterol Management	≥ 50%
Use of aspirin or another antithrombolytic	≥ 80%
Tobacco Use Assessment	≥ 80%
Tobacco Cessation Intervention	≥ 80%
Lipid lowering therapy	≥ 80%
Depression	
Patient Denominator	TDB
Depression Screening (PHQ-9)	≥ 40%
Diabetes	
Patient Denominator	N/A
HbA1C Management: Poor Control greater than 9%	< 5%
Blood Pressure Management : <130/80	> 70%
LDL Cholesterol Management: <100 mg/dl	> 70%
Diabetic Eye Exam	> 80%
Medical Attention for Nephropathy	> 90%
Influenza Vaccination	> 75%

Aspirin for DM patients over 40	> 85%
Lipid Test Documentation	> 90%
HbA1C Documentation	> 90%
Statin for DM patients over 40	> 70%
Tobacco Use Assessment	> 80%
Tobacco Cessation Intervention	> 80%
Asthma	
Patient Denominator	TBD
Patients with any level asthma prescribed preferred long-term controller medication/an acceptable alternative treatment.	TBD
Patients with persistent asthma prescribed long-term controller meds	TBD
Pediatrics (over use measures)	
Patient Denominator	TBD
Patients with URI NOT dispensed antibiotic prescription on or 3 days after the episode date	TBD
Patients with pharyngitis, prescribed an antibiotic and who received a group A streptococcus test for the episode	TBD
Patient Experience (survey tool)	TBD
Patient Denominator	TBD

PROCUREMENT SPECIFICATIONS

The Commission will issue task orders in one or more of the study areas outlined above. The MHCC expects the successful vendor to perform two task orders: one focusing on the design of the PPPM care coordination payments; and the other on the cost efficiency bonus payment. The consultant will provide recommendations on the magnitude of the care coordination payment and evaluate alternative methods for making the payment to the provider. MHCC will issue a Statement of Work describing the type of information required, deliverables, and submission dates. The total funding available for the performance of Task Orders in any given year shall not exceed $25,000.

A. Project Deliverables and Timelines

The contract resulting from this bid board notice is on a time and materials basis. The vendor must be able to provide assistance within MHCC's timetable of activities. The timetable is as follows:

Tasks	Period of Performance	Deliverable
Task 1. Conduct sensitivity analyses and make recommendations regarding finalizing the formulae for PPPM payments	July –October	Report to PCMH Workgroup and MHCC on the final fixed payments for practices showing a range of savings levels.
Task 2. Make recommendations on the range of process and outcome measures that practices must select	July-August	A report recommending process and outcome measures that practices

and meet in order to obtain a full incentive reward under the program.		must achieve/
Task 3. Provide technical support to MHCC during meetings with practices on implementing the PPC-PCMH model.	July – November	Technical support presentations on what practices must do to meet NCQA requirements.
Task 4. Develop a simple cost calculator, accessible via the web, that will enable practices to calculate prospective fixed payments.	August 2010	Software written according to MHCC standards and suitable for use on MHCC 's system.

B. Technical Specifications

The consultant may use his/her offices or facilities at the Maryland Health Care Commission to conduct the analyses based on the requirements of each particular task. All reports and analyses completed under this contract shall be submitted both in paper form and electronically in Microsoft Word 2003 or 2007 format. Any analyses, data bases, source programs, and documentation developed under the contract resulting from this bid board notice shall be submitted to MHCC at the completion of each task. Data supplied to the consultant or created in the course of work shall be destroyed or returned to the MHCC at the conclusion of the contract.

Personnel Requirements

MHCC has established two labor categories for this notice; however, a bidder may propose one or more staff members within those categories. Any personnel offered must be firmly committed to work on the effort. A bidder may determine that the work can be done more efficiently by several additional categories of researchers. The MHCC will accept a proposal that includes additional categories; however, all tasks must be led by a person at the Project Director level. If additional categories are supplied, the prospective bidder must explain why the mix of labor is to the advantage of the State of Maryland.

Labor Categories
Project Director - Manager holding an advanced degree (MD, MPH, PhD) and with training in a field of health policy and a minimum of 8 years experience analyzing approaches to health professional care delivery and payment.
Health Policy Analyst. Researcher holding a Master's or higher degree in economics or public health, or an equivalent degree, with a minimum of 4 years experience in developing and evaluating health professional reimbursement approaches. The consultant must be knowledgeable about the challenges of changing primary care delivery given the crises faced by many primary care practices.

Term of Contract

The contract will begin on or about July 15, 2010 and will end December 31, 2010.

Issuing Office

The issuing office for this solicitation is the Maryland Health Care Commission, 4160 Patterson Avenue, Baltimore, Maryland 21215; Attention: Ms. Sharon Wiggins.

Submission Deadline

In order to be eligible for consideration, an original and two copies of the proposal must be received at the Commission's office as referenced in Section I. C. above by 4:00 p.m. Eastern Standard Time on Wednesday, July 14, 2010. **Bids may also be e-mailed to swiggins@mhcc.state.md.us, with a "cc" to Andrea Allen – aalleen@mhcc.state.md.us** . All bids must include a Social Security Number or Federal Identification Tax Number. Consultants mailing proposals should allow sufficient mail delivery time to ensure timely receipt by the Commission.

Procurement Method

The procurement method for this solicitation is a small procurement as described in the Code of Maryland Regulations (COMAR) 21.05.07. The bidder will be paid on a time and materials basis for the tasks. The maximum award allowed under these regulations is **$25,000, the maximum permitted under the small procurement regulations**.

For additional information about the procurement specifications, please contact Ben Steffen, Director, Center for Information Services and Analysis, Maryland Health Care Commission at:

Phone: 410-764-3573
FAX: 410-358-1236
E-Mail: **bsteffen@mhcc.state.md.us**

Information Required In Proposals

1. Please provide a brief description (5 pages or less) of your approach to completing the tasks.

2. Please include an individual resume for the person(s) who will be assigned to conduct the work. The resume should include the amount of experience the individual has relative to the work called for in this solicitation. A letter of commitment to work on the project from the individual should be included with the response.

3. Please complete the following matrix and calculate the average weighted rate associated with each person and the estimated time percentage on the overall effort of that person's contribution to the project. This information will be used for evaluation purposes and bid comparisons. Billing under the contract will be for actual hours worked by each individual up to a maximum total billing of $25,000 for the contract. The hourly rate should be fully loaded and reflect all direct and fringe expenses.

Labor Category	Estimated Share of Contract Hours	Hourly Rate
Project Director	25%	$
Health Policy Analyst	75%	$
Total Average Weighted Rate Note Average = Hourly Rate 1* % share of hrs 1+ Hourly Rate 2* % share of hrs 2 + Hourly rate 3…. The contractor is required to bid one or more consultants		$

Note to bidders: MHCC will provide programming support if the Vendor requires access to the Medical Care Data Base (a data base of private payer and Medicare claims).

4. Provide the names of three references that the Evaluation Committee may consult regarding the quality of previous work. References may be from former employers or past consulting engagements.

SELECTION PROCESS

Evaluation Committee

An Evaluation Committee appointed by the Issuing Office will evaluate all proposals received by the closing deadline. The Evaluation Committee may request additional technical assistance from any source.

Evaluation Criteria

The evaluation criteria set forth below are arranged in descending order of importance. (Therefore, (1) is more important than (2). Within each criterion, any sub-criteria are also arranged in descending order of importance. (In other words, 1.a is more important than 1.b; and 1.b, is more important than 1.c., etc.) In addition, it would be improper to assume that 2.a. is either less important or more important than 3.a., 3.b., etc. A prospective consultant can only conclude that criteria 3, as a whole, is less important than criteria 2, as a whole.

1. Experience and Qualifications of the Proposed Staff

a. Knowledge of models of primary care, particularly the Patient Centered Medical Home and the Wagner Chronic Care Model.
b. Knowledge of the costs of transforming practices having different configurations, specialties, number of clinicians, patient mix, and health information technology capabilities.
c. Knowledge of payment approaches used by public and private single payer and multi-payer PCMH pilots.
d. Ability to provide technical assistance, analysis, and recommendations regarding the design and implementation of the payment methodology and quality measurement criteria for the PCMH pilot.
e. Demonstrated ability to complete assignments within an agreed time frame.

2. Approach for completing the Tasks described above in Description of the Procurement.

Evaluation Process

The Evaluation Committee will evaluate each technical proposal using the evaluation criteria set forth above. Only those technical proposals deemed reasonably susceptible of being selected for an award and whose offeror is initially judged to be "responsible" shall be considered "qualified offerors." All other proposals will not be considered qualified and the offerors shall be so notified.

In recommending an offeror for award, the Evaluation Committee will give more weight to an offeror's technical proposal than to its financial proposal. The Committee shall

recommend the offeror whose proposal provides the most advantageous offer to the State of Maryland, considering price and the evaluation criteria set forth in the proposal.

BASIS FOR AWARD

The vendor with the most advantageous offer to the State of Maryland will be awarded the contract. This contract is solicited in accordance with COMAR 21.05.07, Small Procurement.

V. INFORMATION REQUIRED IN OFFEROR PROPOSALS

Transmittal Letter

A transmittal letter prepared on the offeror's business stationery is to accompany the original and required copies of this proposal. The purpose of this letter is to transmit the proposal; therefore, it should be brief. The letter MUST be signed by an individual who is authorized to bind his/her firm to all statements, including services and prices contained in the proposal.

Technical Proposal

The Technical Proposal must address all appropriate points of the proposal except the financial information. This volume consists of, and must contain, the following sections for each part of the technical requirements for which a proposal is being submitted:

1. Statement of the Problem
2. Proposed Work Plan
3. Experience and Qualifications of the Proposed Staff

The **Statement of the Problem** should demonstrate clearly that the offeror understands MHCC's objectives and goals for this procurement.

The **Proposed Work Plan** section is to contain a brief description of the proposed plan to meet the requirements. It should include a detailed description of the contractor's approach, techniques, and work plan for addressing the requirements outlined in the Procurement Specifications.

The **Experience and Qualifications of the Proposed Staff** section should describe how the proposed staff's experience and qualifications relate to the specific responsibilities detailed in the work plan for this procurement. The section is also to include individual resumes for the key personnel who are to be assigned to the project if the offeror is awarded a contract. Subcontractors, if any, must be identified, and a detailed description of their contributing role relative to the requirements of the proposal should be included in the proposal. Each resume should include the amount of experience the individual has had relative to the work called for in this solicitation. Letters of intended commitment to work on the project from all key personnel, including subcontractors, should be included with the proposal.

Financial Proposal

The financial proposal should provide an hourly rate for the provision of consulting services. Billing under the contract will be for actual hours worked up to a maximum total annual billing of **$25,000** for the contract. The contractor may not bill for work unless and until such work is specifically requested by the Contract Monitor.

MINORITY BUSINESS ENTERPRISES ARE ENCOURAGED TO RESPOND TO THIS SOLICITATION